

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6308

BILL NUMBER: SB 123

DATE PREPARED: Nov 6, 2001

BILL AMENDED:

SUBJECT: Teacher Pension Credit for Military Service.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill extends from 18 months to 36 months the period in which a member of the Indiana Teachers' Retirement Fund (TRF) must return to active teaching service or teacher training after completion of active military service in order for the member to be entitled to credit for the member's military service.

Effective Date: July 1, 2002.

Explanation of State Expenditures: There are no specific data concerning the number of teachers who would be affected by this change. For illustrative purposes, we have assumed that 150 male teachers would be affected by this change, with an average of 2 years of military service each. The additional liability generated would be approximately \$700,000. The actual increase in annual payout cost will depend upon the number of teachers affected, their military service, their age, and accrued TRF service characteristics. The fund affected is the State General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: See Explanation of State Expenditures, above.

Explanation of Local Revenues:

State Agencies Affected: Teachers' Retirement Fund.

Local Agencies Affected: School corporations.

Information Sources: Sandy Rodwan of Gabriel Roeder Smith & Co., actuaries for TRF, 1-800-521-0498.